



Patrick W. Henning, Director  
December 29, 2009  
22M:383:JP:9017



Arnold Schwarzenegger  
Governor

Ms. Pam Miller, Director  
Yolo County Department of Employment and Social Services  
25 North Cottonwood Street  
Woodland, CA 95695

Dear Ms. Miller:

**WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2008-09**

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Yolo County Department of Employment and Social Services' (Yolo County DESS') Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

Our review was conducted from October 27, 2008 through October 31, 2008 under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by Yolo County DESS with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with Yolo County DESS representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, Yolo County DESS' response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on June 15, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed finding 4 cited in the draft report, no further action is required and we consider this issue resolved.

Your response also adequately addressed findings 1, 2, and 5 cited in the draft report. However, findings 1 and 2 will remain open until we receive the requested documentation. In addition, finding 5 will remain open until we verify your implementation of your stated corrective action plan during a future onsite review. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 90140, 90141, and 90144.

Your response did not provide the information requested for the second portion of finding 3, cited in the draft report. We request that Yolo County DESS provide the Compliance Review Office with the requested documentation to resolve this portion of the issue. However, the Yolo County DESS' CAP was sufficient to address portions one and three of the issue. The successful implementation of this CAP will be verified in a future onsite visit. Therefore, this finding remains open and has been assigned Corrective Action Tracking System (CATS) number 90142.

## **BACKGROUND**

The Yolo County DESS was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, Yolo County DESS was allocated: \$596,433 to serve 90 adult participants; \$828,346 to serve 130 youth participants; and \$463,669 to serve 35 dislocated worker participants.

For the quarter ending September 30, 2008, Yolo County DESS reported the following expenditures for its WIA programs: \$59,514 for adult participants; \$712,278 for youth participants; and \$105,611 for dislocated worker participants. In addition, Yolo County DESS reported the following enrollments: 57 adult participants; 103 youth participants; and 37 dislocated worker participants. We reviewed case files for 22 of the 143 participants enrolled in the WIA program as of October 27, 2008.

## **PROGRAM REVIEW RESULTS**

While we conclude that, overall, Yolo County DESS is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Local Workforce Investment Board (WIB) composition, Youth Council composition, management information system (MIS),

90-day gap in services, and eligibility for youth participants. The findings that we identified in these areas are specified below.

### **FINDING 1**

**Requirement:**

WIA Section 117(b)(2) states, in part, that membership of each WIB shall include representatives of businesses in the local area. It further states that these representatives must represent businesses with employment opportunities that reflect the employment opportunities of the local area and that are appointed from among individuals nominated by local business organizations and business trade associations.

20 CFR 661.315(d) states, in part, that a majority of the members of the local board must be representatives of businesses in the local area. 20 CFR 661.315(e) states, in part, that chief elected officials must appoint the business representatives from among individuals who are nominated by local business organizations and business trade associations.

WIA Section 117 (b)(2)(A)(i-vi) states, in part, that the composition of the local Workforce Investment Board shall include representatives of local labor organizations.

WIA Directive WIAD06-21 states, in part, that at least 15 percent of local WIB members shall be representatives of labor organizations, nominated by local labor federations, including a representative of an apprenticeship program. If the local labor federation fails to nominate enough members to meet the 15 percent requirement, then at least 10 percent of the local board members shall be representatives of labor organizations.

20 CFR 661.315(e) states, in part, that chief elected officials must appoint the labor representatives from among individuals who are nominated by local labor federations.

**Observation:**

We observed that the composition of the WIB does not include the required majority of representatives of businesses in the local area. Specifically, the official composition of the WIB is 34 members. Of these 34 members, only 16 representatives are from the local business sector. As a result, the WIB needs two additional business members to establish a business majority.

We also observed that the composition of the WIB does not include the required percent of representatives of labor. Specifically, of the 34-member WIB, only two members represent labor. As a result, the WIB needs three additional labor members to establish a 15 percent requirement. However, the Yolo County DESS provided documentation to substantiate their efforts to obtain more labor nominations. This documentation included regular letters and emails from both the WIB Director and the WIB Chair, to the Sacramento Central Labor Council requesting additional labor nominations. This correspondence dates from June 5, 2007 through October 15, 2008. The Yolo County DESS stated that the Sacramento Central Labor Council had never responded to this correspondence. As a result of documenting this good-faith effort, the Yolo County DESS is held to the 10 percent standard. Thus, the WIB needs one additional labor representative to establish the 10 percent requirement.

**Recommendation:** We recommended that Yolo County DESS provide the Compliance Review Office (CRO) with a Corrective Action Plan (CAP), including a timeline, for appointing the required business members and the required labor representatives to the WIB. We also recommended that once these positions are filled, Yolo County DESS provide CRD with an updated roster of all members.

**Yolo County DESS Response:** The Yolo County DESS stated that WIB staff, with the assistance of the Yolo County Board of Supervisors, has an ongoing and continuous recruitment effort to increase business membership. However, constant resignations and removals of members cause turnovers and therefore vacancies. They anticipate that the WIB will have a business majority by November 30, 2009.

In addition, Yolo County DESS stated that they now have a total of four labor members and thus meet the 15 percent requirement.

**State Conclusion:** The Yolo County DESS' stated corrective actions should be sufficient to resolve this issue. However, we cannot close this issue until we receive documentation that the vacancies have been filled by the required representatives. Until then, this issue remains open and has been assigned CATS number 90140.

## **FINDING 2**

**Requirement:** 20 CFR Section 661.335 states, in part, that the membership of each Youth Council must include members who represent parents of eligible youth seeking assistance.

**Observation:** The Yolo County DESS WIB does not include a member who is a parent of an eligible youth seeking assistance. This seat has been vacant since December 2007.

**Recommendation:** We recommended that Yolo County DESS provide CRO with a CAP, including a timeline, for appointing the required parent of an eligible youth seeking assistance to the Youth Council. We also recommended that once this position is filled, Yolo County DESS provide CRD with an updated roster of all members.

**Yolo County DESS Response:** The Yolo County DESS stated that they intend to request assistance from the Youth Council and the WIA One-Stop provider to locate an eligible youth and parent to participate in the board at the June 2009 meeting. They anticipate that the Youth Council composition will be in compliance by November 30, 2009.

**State Conclusion:** The Yolo County DESS' stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we receive documentation that the vacancy has been filled by the required representative. Until then, this issue remains open and has been assigned CATS number 90141.

## **FINDING 3**

**Requirement:** WIA Section 185(c)(2) states, in part, that each local board and each recipient receiving funds shall maintain comparable management information systems designed to facilitate the uniform compilation and analysis of programmatic, participant, and financial data necessary for monitoring and evaluating purposes. In addition, WIA Section 185(d)(1)(B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities.

WIA Section 129(a) states, in part, that youth funds may be used to provide incentives for recognition and achievement to eligible youth.

WIA Section 101(46) states, in part, that supportive services are those services that are necessary to enable an individual to participate in authorized activities.

WIA Section 134(e)(2) states, in part, that supportive services may be provided to those who are unable to obtain these services through other programs.

The Department of Labor Training and Employment Guidance Letter (TEGL) 17-05 states, in part, that Unemployment Insurance (UI) wage records are the primary data source for tracking the youth placement in employment measure. It further states that an individual is considered employed after exit if wage records for any quarter show earnings greater than zero.

WIAD04-17 also states, in part, that all recipients of WIA funds will submit client data via the JTA system, complying with the specifications for each data field. In addition, this directive defines activity codes for the enrollment forms.

**Observation:**

Of the 22 case files reviewed for Yolo County DESS, we observed 18 instances in which the case files showed that the youth participants completed activities for which there was no documentation to substantiate that the participants received the services, completed the activities, or earned the incentive or supportive services. Specifically, we found no documentation to substantiate the following reported activities and services listed below.

1. Of the eight files case reviewed from Yolo County DESS' youth service provider, The Community College Foundation (TCCF), we observed eight instances where the case files showed that the youth participants were enrolled in the following workshops (code 74): Life Skills, Financial Literacy, and Leadership. There was no documentation in the case files to substantiate that any of the eight attended or completed any of these workshops.

2. Of the same eight case files reviewed for TCCF, we observed one instance where the case file showed that a youth participant received an incentive for \$300 for maintaining school enrollment for three consecutive months. There was no documentation in the case file to indicate that the participant was enrolled in school.
3. In addition, of the same eight case files reviewed for TCCF, we observed four instances where the case files showed that the youth participants were enrolled in supportive services (code 81) but there was no documentation to substantiate that any of these participants received any supportive services. The remaining four case files showed that the youth participants received transportation supportive services in the amount of \$3,485. However, there was no documentation in the case files to substantiate that there was a need for the transportation supportive services as detailed below.
  - A. Participant #1 received bus passes, at \$85 per month for 12 months, from November 2007 through October 2008, totaling \$1,020.
  - B. Participant #2 received bus passes, at \$85 per month for 12 months, from November 2007 through October 2008, totaling \$1,020.
  - C. Participant #3 received bus passes, at \$85 per month for 12 months, from November 2007 through October 2008, totaling \$1,020.
  - D. Participant #4 received bus passes, at \$85 per month for five months, from June 2008 through October 2008, totaling \$425.
4. Of the six case files reviewed from Yolo County DESS' youth service provider, Rural Innovations in Social Economics (RISE), we observed one instance where the case file showed that the participant was exited as "Entered Employment" (code 01). There was documentation in the case file indicating that the participant was providing labor on a relative's farm in exchange for room and board and in lieu of wages. Since the participant was not paid wages, wage records for any quarter

after exit would show earnings of zero and thus, this participant was not employed.

**Recommendation:** We recommended that Yolo County DESS provide CRO with a CAP, including a timeline, explaining how, in the future, it will ensure that data reported to the State is supported with adequate documentation, is maintained in the case files, and includes all necessary information to substantiate the programs, services, activities, and incentives provided to the participants.

In addition, we recommended that Yolo County DESS provide CRO with the following documentation:

1. Substantiate that the workshops were attended by the TCCF participants identified above or back out these codes from the JTA system.
2. Substantiate the incentive payment to the TCCF participant identified above totaling \$300 or back out this amount from the WIA account.
3. Substantiate the supportive services payments to the TCCF participants identified above totaling \$3,485 or back out this amount from the WIA account.
4. Substantiate the exit data of the RISE participant identified above or back out this code from the JTA system.

In addition, we recommended that Yolo County DESS review the case files for all youth participants for PY 2007-08 and PY 2008-09 for its subrecipient TCCF to ensure that all supportive services provided are necessary to complete a WIA activity and that this need is adequately substantiated in the case files. Once completed, we recommended that Yolo County DESS provide the results of this review to CRO.

**Yolo County DESS Response:** The Yolo County DESS stated that they conduct one on-site monitoring review of each youth service provider annually to ensure that data reported to the State is supported with adequate documentation, is maintained in the case files, and includes all necessary information to substantiate the programs, services, activities, and incentives provided to the participants. Yolo County DESS submitted copies of the WIA 85 Percent Program



Review Final Monitoring Reports for PY 2008-09 for RISE, dated April 9, 2009, and for TCCF, dated April 23, 2009 to substantiate this.

In addition to these documents, Yolo County DESS enclosed a copy of the TCCF Termination Letter, dated May 18, 2009, an employer statement, and JTA exit reports for the requested participants to substantiate the following:

1. Yolo County DESS issued Finding 5/Corrective Action Number (CAN) 0809-5 because TCCF did not fully substantiate that the workshops were attended by the TCCF participants identified above. In addition, the participants were exited from the program and therefore the JTA codes could not be backed out.
2. Yolo County DESS issued Finding 8/CAN 0809-8 because TCCF provided incentive payments outside the scope of service of Yolo County Agreement 08-142. In addition, the participants were exited from the program.
3. Yolo County DESS issued Finding 7/CAN 0809-7 because TCCF provided support service outside the scope of service of Yolo County Agreement 08-142. In addition, the participants were exited from the program.
4. The exit data of the RISE participant was substantiated by an applicant statement submitted by the employer which stated that the participant was receiving in-kind wages for working on his farm. In addition, the participant was exited from the program and therefore the JTA exit code could not be backed out.

Lastly, Yolo County DESS stated that all TCCF participant case files were reviewed in December 2008 during the PY 2008-09 monitoring review. Ultimately, the results of this review were numerous findings that culminated in the termination of the Yolo County Agreements 07-144 and 08-142 with TCCF, as documented in the Termination Letter, dated May 18, 2009.

**State Conclusion:** The Yolo County DESS' stated CAP should be sufficient to resolve the first portion of the issue and the completed review of all TCCF youth files should be sufficient to resolve the last recommendation contained in the report.

However, based on Yolo County DESS' response to the second portion of the issue, subparts 1 through 4 listed above, we cannot resolve these portions of the issue at this time. Specifically, Yolo County DESS did not provide documentation to substantiate that the JTA activity codes for the eight TCCF participants referenced above were backed out of the system (subpart 1). Even though the eight TCCF participants were exited from the WIA program, since the exit dates were all within PY 2008-09, Yolo County DESS can submit a *Request for Correction to Previously Submitted Data* form to the JTA Help Desk in order to reflect the accurate data.

In addition, Yolo County DESS did not provide documentation to substantiate that either the incentive payment, totaling \$300, or the supportive services payments, totaling \$3,485, for the TCCF participants referenced above were backed out of the WIA account (subparts 2 and 3).

Furthermore, Yolo County DESS did not provide documentation to substantiate that the JTA exit code for the one RISE participant referenced above was backed out of the system (subpart 4). The employer statement submitted by Yolo County DESS does not substantiate wages earned and therefore, the participant cannot be claimed as employed in the JTA system. Again, even though this participant has been exited from the WIA program, since the exit date was within PY 2008-09, Yolo County DESS can submit a *Request for Correction to Previously Submitted Data* form to the JTA Help Desk in order to reflect the accurate data.

We again recommend that Yolo County DESS provide documentation to substantiate that the JTA codes for the participants referenced above were backed out of the system and that the \$300 and the \$3,485 have been backed out of the WIA account. Until then, this issue remains open and has been assigned CATS number 90142.

#### **FINDING 4**

**Requirement:**

WIA Section 185(d)(1)(B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which participants are enrolled, and the

length of time that participants are engaged in such programs and activities.

TEGL 17-05 states, in part, that the term program exit means a participant has not received a service funded by the program, or funded by a partner program for 90 consecutive calendar days, and is not scheduled for future services. The exit date is the last day of service.

In addition, TEGL 17-05(D) states, in part, that once a participant has not received any WIA-funded or partner services for 90 days (except follow-up services, and there is no planned gap in service or the planned gap in service is for reasons other than those related to health/medical condition and delay in training), that participants must be exited from WIA. The exit date is the last date of WIA funded or partner received services.

**Observation:**

Of the 22 case files reviewed at Yolo County DESS, we observed eight instances where the participants did not participate in activities reported to the JTA Reporting System for periods greater than 90 days. Of the six files reviewed for RISE, we observed one instance where the case file showed that the participant was inactive for a period of nine months.

Of the eight case files reviewed for TCCF, we observed seven instances where the case file showed that the participants were inactive for periods ranging from four months to 13 months. Specifically, although the dates on the JTA enrollment form indicated that the participants were enrolled in an activity, we found documentation in the case file to substantiate that these activities did not occur. Various mailings, telephone contacts, and attempted telephone contacts were documented in the case files to substantiate that the participants were inactive for a range of four to 13 months. As of October 31, 2008, none of the eight participants were exited.

**Recommendation:**

We recommended that Yolo County DESS provide CRO with documentation demonstrating that services were being provided to those participants identified above or exit them from the WIA program as of the last date of service.

In addition, we recommended that Yolo County DESS have its subrecipient, TCCF, review the case files for all active youth

participants and ensure that services are being provided to these participants or exit them from the program. Once completed, we recommended that Yolo County DESS provide the results of this review to CRO.

**Yolo County DESS  
Response:**

The Yolo County DESS provided JTA exit reports for the requested participants to substantiate that they were all exited from the WIA program as of the last date of service.

In addition, Yolo County DESS stated that they reviewed all participant case files for both RISE and TCCF in December 2008 during the on-site monitoring reviews, referenced above. As a result of these reviews, numerous RISE and TCCF participants were exited and other participants were enrolled in appropriate activities.

**State Conclusion:** We consider this finding resolved.

**FINDING 5**

**Requirement:**

20 CFR 664.200 states, in part, that an eligible youth is an individual who is age 14 through 21, is a low income individual, and is within one or more of the following categories: deficient in basic literacy skills; school dropout; homeless, runaway, or foster child; pregnant or parenting; offender; or is an individual (including a youth with a disability) who requires additional assistance to complete an educational program, or to secure and hold employment.

WIAD04-18, which transmits Title I Eligibility Technical Assistance Guide (TAG), provides guidelines for documenting general and youth eligibility. The TAG requires the use of acceptable documentation and it includes the economic eligibility criteria and additional requirements for youth. The latter refers to barriers, at least one of which a youth must have, in order to be determined eligible for WIA services, in addition to meeting the economic eligibility criteria (unless they are to be served through the five-percent exception window).

**Observation:**

Of the 22 case files reviewed for Yolo County DESS, we observed 10 instances in which the participant files were missing adequate documentation to substantiate that the participants were eligible for services.

Specifically, of the six case files reviewed for RISE, we observed three instances where the participant files were missing adequate documentation to substantiate that the participants met the low-income requirement.

Further, of the eight case files reviewed for TCCF, we observed seven instances where the participant files were missing adequate documentation to substantiate that the participants met the low-income requirement.

Subsequent to our on-site review, Yolo County DESS provided documentation (screen prints from the Yolo County CalWIN system) to substantiate the low-income status of all 10 participants.

**Recommendation:** We recommended that Yolo County DESS provide CRO with a CAP, including a timeline, to ensure that, in the future, appropriate eligibility determination documentation is collected and maintained in each youth participant case file as required.

In addition, we recommended that Yolo County DESS provide guidance to its youth service providers to ensure their understanding of eligibility determination and the documentation required to be collected and maintained in each youth participant case file.

**Yolo County DESS Response:** The Yolo County DESS stated that, in November 2008, they implemented a new practice of maintaining two folders for each youth service provider participant in November 2008. The Yolo County DESS folder will contain all eligibility documents and the youth service provider will maintain a participant folder containing all documents regarding WIA services (e.g., assessment, individual service strategy, case notes, JTA forms, and back-up documents). This will ensure that Yolo County DESS has more internal control of eligibility issues.

In addition, Yolo County DESS stated that they provided on-site, individualized eligibility training and guidance to both RISE and TCCF during the monitoring reviews.

**State Conclusion:** The Yolo County DESS' stated corrective actions should be sufficient to resolve this issue. However, we cannot close this finding until we verify implementation of Yolo County DESS' stated corrective actions during a future on-site review. Until then, this issue remains open and has been assigned CATS number 90144.

In addition to the findings above, we identified a condition that may become a compliance issue if not addressed. Specifically, we found that one of Yolo County DESS' youth providers is using the Test of Adult Basic Education (TABE) locator test in lieu of the TABE Survey or TABE Complete Battery assessment. The TABE locator test is given to help determine which level of a main assessment to administer and should never be used in place of a main assessment such as the TABE Survey or TABE Complete Battery. We suggested that Yolo County DESS review its youth provider's literacy and numeracy testing processes to ensure that the TABE standardized assessment is conducted according to the instructions provided by the TABE system. Furthermore, we suggested that Yolo County DESS take the necessary corrective action to revise its system to measure literacy and numeracy gains to ensure that the results will be acceptable as a claimed performance outcome. We strongly suggested that you contact your Regional Advisor for additional information and assistance.

In its response, Yolo County DESS stated that the Final 85 Percent Monitoring Report for PY 2008-09 issued to TCCF recommended that TCCF provide them with a CAP ensuring that the format of the TABE pre- and post-tests were approved and administered in a timely manner. TCCF responded that since February 29, 2009, they were using approved TABE pre- and post-tests but could not go back and re-test those youth who were tested prior to that date with the locator test. The Yolo County DESS issued Finding 3/CAN 0809-03 on April 23, 2009 as a result. In addition, Yolo County DESS did not enter the post-test scores into the JTA system and therefore believes no further action is necessary to revise its system of measurement for literacy and numeracy gains.

The Yolo County DESS' response adequately addressed our concern and no further action is necessary.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than January 28, 2010. Please submit your response to the following address:

Compliance Monitoring Section  
Compliance Review Office  
722 Capitol Mall, MIC 22M  
P.O. Box 826880  
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is Yolo County DESS' responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain Yolo County DESS' responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 654-1292.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", with a stylized, cursive script.

JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Office

cc: Greg Gibson, MIC 50  
Jose Luis Marquez, MIC 50  
Daniel Patterson, MIC 45  
Lydia Rios, MIC 50